



2021

EQUITY

IN MISSOURI HIGHER EDUCATION REPORT

For too many students, paying for postsecondary education is a delicate balance. Oftentimes, one slight disturbance or change in that balance can result in ripples that cascade into other areas. The following example represents the plight of many Missouri college students:

AN ASPIRING EDUCATOR EXPERIENCED ISSUES OF FOOD INSECURITY, WHICH CAUSED HIM TO LOSE HIS ATHLETIC SCHOLARSHIP AND RESULTED IN LOSING HIS ON-CAMPUS LIVING ARRANGEMENTS. WITHOUT A VEHICLE TO COMMUTE TO CAMPUS, HE HAD TO RELY ON PUBLIC TRANSPORTATION OR FRIENDS TO GET BACK AND FORTH TO SCHOOL AND WORK, INCREASING THE DIFFICULTY OF ATTENDING CLASSES AND MAINTAINING GRADES TO GRADUATE AND MEET THE REQUIREMENTS TO BECOME A TEACHER.

Affordability & Student Voices Series



As this example illustrates, it is difficult to engage in an examination of enrollments and degree completions without discussing the ways that cost and affordability impact the postsecondary experience and the circumstances students must navigate during their academic journey.

Since 2019, the Missouri Department of Higher Education & Workforce Development (MDHEWD) has released an annual *Equity in Missouri Higher Education Report*, identifying equity gaps and disparities across postsecondary education. Previous equity reports focused on three main themes: access to, progress through, and successful outcomes of postsecondary education. This year's edition of the Equity Report will be released as a series of smaller reports highlighting student voices and experiences (like the one in the example), focusing on cost and affordability – an element of the postsecondary experience that affects every stage of the journey. The central finding of this equity report is that **affordability issues and cost impact all students, but there are certain groups that are more distinctly disadvantaged than others, particularly students of color and low-income students.** Even when evaluated alongside other barriers and responsibilities, both personal and professional, the cost of college is overwhelmingly cited as one of the largest barriers students struggle to overcome.

Overview of Past Reports

The first equity report, published in 2019, focused on access and progress metrics – primarily by analyzing enrollment and retention trends, and comparing these data to Missouri’s census profile using American Community Survey (ACS) data. This report found that inequities exist for students of color, low-income students, and first-generation students in academic preparation, type of postsecondary institution attended, and in retention rates. ***The second report***, released in fall 2020, focused on postsecondary attainment and completion, as well as workforce outcomes for recent graduates. While Missouri’s overall attainment rate and earnings for recent graduates has increased since 2011, these gains have not been equal for all populations across the state,

with many gaps persisting or increasing over time for the same demographic groups identified in the first equity report.

Research finds that education has both public and private benefits, and is a driver for personal gain and fulfillment, broader economic productivity, and societal betterment. However, what happens when the vehicle for mobilizing that public good prices more and more students out of higher education? Who will make the decision to pursue a degree before entering the workforce when many worry that doing so may cripple them with debt? These are some of the pressing questions that guide this series of reports on affordability and cost.



“ WHEN I MADE TOO MUCH MONEY FOR PELL GRANTS, I WAS LIKE, ‘OKAY, I CAN’T AFFORD THIS. WHAT CAN WE DO? ARE THERE ANY OPTIONS?’ AND THEY WERE LIKE, ‘WELL, YOU CAN DROP OUT. HERE’S HOW YOU DO THAT.’ THERE WAS JUST... THERE WAS NO HELP. ”



Methodology

In fall 2020, MDHEWD disseminated a qualitative survey to students specifically to gather information regarding the experience of paying for school. The Missouri survey, modeled after the Student Expenses and Resources Survey (SEARS) distributed by the California Student Aid Commission, had 9,921 respondents and asked a variety of questions about student expenditures for higher education. Additionally, this survey captured a wider array of demographic categories than MDHEWD’s student record level data files (EMSAS). This survey included fields that allowed respondents to self-identify as having a disability, indicate Pell or Access Missouri grant receipt (previously only Pell eligibility could be determined, not whether students actually received the funding), and self-report the receipt of benefits such as SNAP.

The overall demographic profile of the survey respondents, with the exception of gender, is fairly representative of Missouri’s demographic profile. Similar to enrollment data, roughly three in four respondents were traditionally college-

age students, while one in four were adult learners. However, low-income students were slightly over-represented in the survey; almost 40 percent of respondents were recipients of either the Pell grant or the Access Missouri grant, which are used as proxies of low-income status. Additionally, roughly one in five respondents reported receiving some kind of food assistance, while slightly less than five percent of respondents self-identified as being on SNAP benefits. While previous equity reports did not contain information regarding disability, slightly more than one in eight respondents self-reported having a disability. Respondents who were categorized as having unmet financial need to pay for college were more likely to be Black, more likely to have a disability, and more likely to be an adult learner.

Not only were respondents able to voice their experiences and frustrations in the survey, they were also given the opportunity to do so in great detail and at length during a series of focus groups that the department hosted in spring 2021. The stories and experiences of those students added a much-needed layer of texture and detail to the survey findings.

Impact of COVID-19



Due to the impact of the COVID-19 pandemic, and the continuing issues stemming from it, the department decided to make this a qualitative report to better understand the complex issues facing students today. The information for this report series is primarily from the student perspective, which allows for the unique opportunity to hear directly from those affected.

Some impacts on students were positive. Many participants explained that because of the flexibility of online education during the start of the pandemic, they decided to return to college. One focus group participant in particular noted that, because more of the class materials and resources were available online, it became much easier to stay on top of lectures while either working or tending to other responsibilities. Other students, due to decreased work hours or unemployment caused by the pandemic, decided to enroll in school to secure a brighter future.

Other students, however, detailed financial hardships brought on by the pandemic. One first-generation student mentioned that her family helped pay for school, but when one parent lost a job during the pandemic, the financial situation became more difficult. An international student explained that she worked full-time for three years to come to college in the U.S. and planned to work while enrolled to help cover living expenses. But, she recounted, “we [international students] can’t work outside campus, so... I was working in the computer lab [on campus] before COVID, and because of COVID everything was shut down, and I lost my job. This semester is my last semester and I will graduate in May, but this last year, because of COVID, it was very hard for me.”

“SCHOLARSHIPS CAN MAKE MAINTAINING A STEADY PACE AND GRADES MORE DIFFICULT BECAUSE THEY ADD A LOT OF FACTORS TO PERFORMANCE, NAMELY REQUIREMENTS TO CONTINUE RECEIVING SCHOLARSHIPS. THESE PEOPLE WHO RELY ON SCHOLARSHIPS TO PAY FOR COLLEGE HAVE A HANDICAP OF HAVING TO MAINTAIN A STEADY LOAD AT ALL TIMES BECAUSE IF THEY FALL BEHIND THEY COULD LOSE THEIR SCHOLARSHIP ENTIRELY, OR HAVE TO PAY FOR THE CLASSES THEMSELVES- COMPLETELY VOIDING THE POINT OF GETTING THE SCHOLARSHIP IN THE FIRST PLACE. TOO MANY SCHOLARSHIPS ARE LIKE THIS. EVEN THE BIG ONES.”

Outline of Affordability Report Series



The structure of this report is inherently different from previous versions of the *Equity in Missouri Higher Education Report*. First, it draws on a different and unique data source and prominently features the voices of students. Second, this report is broken up into a series of smaller publications, which will be released over the next several months, and will highlight the impact of cost and affordability on students' access to, progress through, and success in higher education. By highlighting the issues

that students struggle with on a day-to-day basis, such as paying for books and balancing school and work responsibilities, this affordability report series aims to contextualize the holistic student experience in the same terms that the previous reports used to highlight the disparities in student academic outcomes. Time and time again, students brought up common themes of food insecurity, feeling disillusioned that college would be worth it in the end, and frustration with student loans and the student financial aid process.

Access



There are many considerations students have to make before deciding what college or university to attend; the future report on access will focus on those financial considerations. The *2019 Equity in Missouri Higher Education* report demonstrated that not all students receive the same academic preparation for postsecondary education, and the same holds true for financial preparation for college. Some students had multiple, in-depth conversations with high school counselors on how to pay for and afford college, while others had only a cursory conversation, if at all. Families sometimes played an important role in helping students think about how to afford college, while in other situations families encouraged students to attend without really talking about how to pay for it. One student described her family as “definitely not planners,” and when she graduated from high

school said, “they’re like, ‘Oh, you’re going to college like in a few months, I guess we should figure out how to pay for that.’ So needless to say, it was not a very organized process, there was not a lot of funding from my family at that time, so it was kind of a scramble to figure out loans, additional scholarships.”

Regardless of the quantity or quality of conversations around affordability, students consistently explained that cost and financial aid packages were a large factor in deciding where to attend. As one student explained, cost “really was the deciding factor for where I could go, because after I got the financial aid summary from my dream school that I really wanted to go to, I realized that I was never gonna be able to afford anything unless I got an actual full-ride scholarship.”

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“REPUTABLE SCHOLARSHIPS CAN BE REALLY HARD TO FIND. I THOUGHT THERE WOULD BE MORE OPPORTUNITIES, BUT A LOT OF ‘SCHOLARSHIPS’ YOU FIND ONLINE SEEM TO BE MORE LIKE RAFFLES OR YOU HAVE TO DO ESSENTIALLY FREE WORK FOR A CORPORATION JUST TO BE CONSIDERED.”

Many students find the Free Application for Federal Student Aid (FAFSA) process to be a significant obstacle, and have trouble navigating it. Because the FAFSA plays a crucial role in determining student eligibility for state and institutional aid, as well as federal student aid, the impact of the related barriers can be substantial. This is especially true for first-generation and low-income students. Eligibility for federal aid is currently based on the student's expected family contribution (EFC), calculated through a complex formula established in federal statutes. However, many students voiced frustration with the process, saying the formula does not take into account certain family situations, such as parents who are uninvolved in their child's lives, as well as feeling discouraged by the bureaucratic weight of the process. In addition, many students are confused by the EFC, assuming incorrectly that is the amount of funding they will be required to pay out of pocket.

Students also expressed frustration with the way FAFSA calculates aid eligibility. One student, who is also a parent, vented, “FAFSA is a joke. My [two] daughters [are] also in college and we each qualify for a different amount of government subsidized loans. They say we can afford more than we make.” Another student expressed concern that the FAFSA calculations are based on information from two years in the past (prior-prior year tax information) and therefore does not reflect current circumstances. For example, one of the ways a student can qualify for an automatic EFC of \$0 is if their parents received any means-tested federal benefit programs (SNAP, TANF, Medicaid, etc.). Since the calculation is based on a previous year, it does not account for changes within the last two years – a prescient concern given the degree to which the COVID-19 pandemic has upended so many lives. While institutions have the flexibility to make adjustments, commonly called a professional judgement, many families do not know to ask and, because of federal regulations, many institutions are reluctant to make those adjustments except in the most extreme situations.

Progress

Students encounter a large number of costs, beyond just tuition and fees, as they progress through their educational journey. These include cost of living and transportation, along with food and educational supplies. There is also the cost of time, as many students balance working and attending school. Roughly 56 percent of the survey respondents reported being employed. Of those employed students, 27.4 percent reported working more than one job. Responses from the survey indicate that low-income students are much more likely to be employed while attending college (71 percent) when compared to their peers (54 percent). Additionally, roughly 11 percent of respondents reported working full time, with 13.5 percent of low-income students and 15 percent of Black students working full time.

Respondents were asked to self-report both the costs of living expenses (housing, groceries, transportation, etc.) and how much impact those expenses had on their ability to finance their education. Respondents were asked to evaluate both how burdensome various costs were to their lives, and to self-report on their perceived ability to have their needs met. Overwhelmingly, the cost of tuition and books was listed as the biggest obstacle to student success even when evaluated alongside other stressors such as work and family responsibilities. Students expressed frustration with not only the many fees they are required to pay, but also trying to figure out what the fees were actually for.

“FOR WHATEVER REASON, MY SCHOOL HAS FLAGGED ME EACH SEMESTER FOR POTENTIAL FRAUD BECAUSE OF WHATEVER MY FAFSA SAYS, OR SOMETHING SAYING THAT BECAUSE MY FAMILY MAKES THIS AMOUNT OF MONEY, I SHOULD BE ABLE TO AFFORD [EVERYTHING]... AND IT’S LIKE, ‘NO, LIVING PAYCHECK TO PAYCHECK OVER HERE.’”

Food insecurity is an issue many students face, with far-reaching consequences for progress through higher education. Over half of the survey respondents reported not being able to afford balanced meals, and almost half reported that they were worried whether food would run out before being able to buy more. Disabled Missourians, Missourians on SNAP benefits, non-white Missourians, and Missourians receiving Pell and Access Missouri grants were the most likely groups of students to report being food insecure.

“I go weeks without food and buying groceries because I pay my rent so I won’t get evicted. I eat at work and when I don’t work, I drink coffee to trick my stomach into thinking it is full.”

Success



The perceived value of a college education is one of the chief driving forces for students to pursue higher education, even in light of the costs involved. There was a pervasive worry among the students that participated in the survey and the focus groups that the time and money they were investing into their college experience might not end up being worthwhile. Of the survey respondents, 38.5 percent reported taking out some form of student loans. Unsurprisingly, low-income students were nearly twice as likely to take out student loans (54 percent) compared to their higher-income peers (29 percent), while Black and Hispanic students are slightly more likely to take out loans.

National data on student loan debt highlights the impact on the cost and affordability of higher education. **EducationData.org**, compiling data from sources such as the National Center for Education Statistics (NCES) and the World Bank, provides the following overview on the state of national student debt:

- Student debt in the U.S. totals \$1.73 trillion and grows six times faster than the national economy
- The average public university student borrows \$30,030 to attain a bachelor's degree
- The student loan debt growth rate outpaces the rise in tuition costs by 353.8 percent
- First-generation students are twice as likely to report they are behind in making student loan payments
- Almost half of student aid recipients are financially independent

The burden and worry of student debt can often be directly related to the schools attended and the types of programs students pursue – which can impact the income increase students can expect as a result of pursuing higher education. For many students, they may be priced out of quality postsecondary programs for which they qualify academically, and that would set them up for professional success. This is what one of the focus group participants had to say about this phenomenon:

“I wanted to study neuroscience, and the school I wanted to go to has this really amazing neuroscience program and a lot of opportunities for undergrad students to do research, and I was just really excited. But then I couldn’t afford it at all, and the institution I’m at now doesn’t have a neuroscience program, so I just have to do psychology instead, which is kind of close, but it’s also a lot different, so it changed the field that I have to go into.”

Conclusion: Meet the students

It would be impossible to share these insights into the struggles students encounter as they progress through their higher education experience without the voices so generously lent to the department. Both the survey and the focus group sessions provided the department with lived experience that has not been captured in prior equity reports. As the series progresses, readers will meet more students from a diverse array of backgrounds. From these testimonials, this series of reports builds as true-to-life a retelling as possible of the positives and negatives of these student experiences. The students express frustration, but also demonstrate tenacity. Students recount tales of almost insurmountable odds, but also enduring hope in the midst of their circumstances.

In addition to drawing attention through student testimonials, this series of reports begins a conversation among higher education stakeholders regarding how to make these stories significantly less common. Students should not go hungry to finance their education, and yet many of them are. Students should not need to actively wonder if their decision to pursue a college degree will permanently cripple them with debt, but many of them do. It's the department's hope and goal that these affordability reports will influence both institutional and state-wide financial aid policy to be more student friendly. By elevating students' experiences, the department hopes to make the case to higher education stakeholders across the board that increasing student supports is in the best interest of all.

